

Electric Industry Restructuring in New Hampshire

Updated 4/1/02

In May of 1996, New Hampshire became the first state in the region to enact an electric restructuring law, when it enacted The New Hampshire Electric Industry Restructuring Act (HB 1392, Session Law Chapter 0129, RSA 374-F). The Act established fifteen policy principles regarding restructuring. These principles include: customer choice; near-term rate relief; universal service; recovery of net, nonmitigatable stranded costs; benefits for all consumers; and environmental improvement.

The Act called for retail choice as early as January 1, 1998 and no later than July 1, 1998. However, implementation was blocked by legal challenges involving Public Service of New Hampshire ("PSNH"), the state's largest utility.

As a result, New Hampshire has proceeded with restructuring on a utility-by-utility basis.

Utility	Status
Granite State Electric	market opened July 1998
New Hampshire Electric Co-op	market opened January 2000
Public Service of New Hampshire	market opened May 2001
Concord Electric	market not open; restructuring proposal being reviewed by NH PUC
Exeter and Hampton Electric	market not open; restructuring proposal being reviewed by NH PUC
Connecticut Valley Electric	market not open

Public Service of New Hampshire Restructuring Plan

The key features of the restructuring plan being implemented by Public Service of New Hampshire are as follows:

Customer Choice: Customers in the PSNH service territory can choose their electric supplier as of May 1, 2001.

Transition Service: Transition Service is available for customers who have not yet chosen a competitive power supplier. The service will be available for 21 months for large business customers and for 33 months for small business and residential customers. The price for transition service is 4.4 ¢/kWh for the first 21 months. After that, the price will be 4.6 ¢/kWh for small business and residential customers. For other customers, the price will be set at PSNH's cost of power.

Savings: Customers will realize savings of 15% compared to current rates.

Stranded Costs: PSNH is recovering stranded costs through a per kilowatt-hour charge on the electric bill.

Billing and Metering: New Hampshire allows a combined bill from the competitive supplier and separate bills from the utility and the supplier. The NH PUC has ruled that metering will become competitive for customers with demands over 100 kW after the PUC develops the necessary standards through a rulemaking proceeding.

Energy efficiency: There is a system benefits charge of 0.2 ¢/kWh to fund energy efficiency programs (0.08 ¢/kWh) and low-income assistance programs (0.12 ¢/kWh).

Renewable energy: New Hampshire does not provide funding for renewable energy.

Mergers: Since December 1998, one merger has been announced involving a New Hampshire utility.

National Grid Group, PLC, the United Kingdom's electric transmission company, acquired New England Electric System, parent company of Massachusetts Electric Company, Narragansett Electric Company (RI), and Granite State Electric Company (NH). As a result of the transaction, New England Electric System was renamed National Grid USA. The merger was announced on December 14, 1998, and closed on March 22, 2000. The final sale price was \$3.2 billion.

New Hampshire Electric Utilities

Utility	Electric Customers	Web Site
Public Service of New Hampshire	400,000	www.psnh.com
New Hampshire Electric Co-op	68,000	www.nhec.com
Exeter and Hampton Electric	40,000	www.unitil.com
Granite State Electric	36,000	www.granitestateelectric.com
Concord Electric	28,000	www.unitil.com
Connecticut Valley Electric	10,000	www.cvps.com/subs/cvec/cvec.html

More Information

For more information, please contact:

New Hampshire Public Service Commission

8 Old Suncook Road

Concord, NH 03301

P: 603-271-2431

Website: www.puc.state.nh.us

The website contains the PSNH restructuring settlement agreement and the Commission's restructuring orders.

Governor's Office of Energy and Community Service

57 Regional Drive, Suite 3

Concord, NH 03301

P: 603-271-2611

Website: www.state.nh.us/governor/energycomm/

The website contains a status report regarding electric restructuring in New Hampshire.

Consumer Education Program

Website: www.powerischoice.com

P: 800-528-2070

P: 603-271-2431 (in Concord)

The website contains an on-line consumer guide to restructuring and a list of registered competitive energy suppliers and aggregators.